VZCZCXRO4641 PP RUEHFK RUEHKSO RUEHNAG RUEHNH DE RUEHKO #3838/01 1912244 ZNR UUUUU ZZH P 102244Z JUL 06 FM AMEMBASSY TOKYO TO RUEHC/SECSTATE WASHDC PRIORITY 4160 INFO RUEKJCS/SECDEF WASHDC PRIORITY RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY RUEAWJA/USDOJ WASHDC PRIORITY RULSDMK/USDOT WASHDC PRIORITY RUCPDOC/USDOC WASHDC PRIORITY RUEAIIA/CIA WASHDC PRIORITY RUEKJCS/JOINT STAFF WASHDC//J5// RHHMUNA/HQ USPACOM HONOLULU HI RHHMHBA/COMPACFLT PEARL HARBOR HI RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA// RHMFIUU/COMUSJAPAN YOKOTA AB JA//J5/JO21// RUYNAAC/COMNAVFORJAPAN YOKOSUKA JA RUAYJAA/COMPATWING ONE KAMI SEYA JA RUEHNH/AMCONSUL NAHA 9725 RUEHFK/AMCONSUL FUKUOKA 7125 RUEHOK/AMCONSUL OSAKA KOBE 0424 RUEHNAG/AMCONSUL NAGOYA 7006 RUEHKSO/AMCONSUL SAPPORO 8268 RUEHBJ/AMEMBASSY BEIJING 3199 RUEHUL/AMEMBASSY SEOUL 9346 RUCNDT/USMISSION USUN NEW YORK 1090

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CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: OIIP KMDR KPAO PGOV PINR ECON ELAB JA SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07/10/06 Part-1

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(1) Japan will not budge on taking vote on July 10, agreement with US to do all the two can do to persuade China, Russia

NIHON KEIZAI (Page 1) (Abridged) Evening, July 10, 2006

The Japanese government aims to put to a vote at the United Nations Security Council a resolution for imposing sanctions on North Korea as jointly proposed by Japan, the United States, and other countries. It intends to put the resolution to a vote on July 10 and will not budge on this schedule. In fact, Foreign Minister Taro Aso

stressed to reporters: "It's better not to delay taking a vote." This remark seemed to reflect his judgment that it would be impossible for North Korea to soften its stance even if it is given more time. At a liaison meeting of the government and the ruling parties, Prime Minister Junichiro Koizumi stated: "The international community needs to work together to work on (China and Russia)."

This morning, the Japanese and US governments agreed to work in close cooperation with other countries, such as Britain and France, to try to get the resolution adopted at the UNSC. They also confirmed to do everything they can to persuade China and Russia, which are both reluctant to adopt the resolution.

This policy line was confirmed by Foreign Minister Aso during his earlier conversation on the phone with Secretary of State Rice and during his meeting today at the ministry with Assistant Secretary of State Hill for East Asia and the Pacific, who is now making a tour of the concerned Asian nations, such as China and South Korea. Chief Cabinet Secretary Shinzo Abe also talked on the phone to US Presidential Assistant for National Security Affairs Hadley.

Aso pointed out during the meeting with Hill: "It's important to adopt the resolution as quickly as possible." Hill emphasized the need to set in motion the six-party talks as swiftly as possible.

(2) Challenge of North Korea's missile firing-What's ahead in strategy toward DPRK: How to defend Japan; US military uncertain on whether to conduct counterattack operations

TOKYO SHIMBUN (Page 1) (Full) July 8, 2006

Shigeru Handa, city desk

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When North Korea fired seven ballistic missiles on July 5, a resolution that was certain to clear the municipal assembly of Okinawa City in Okinawa Prefecture was scrapped. It was a resolution against the planned deployment of Patriot Advanced Capability 3 (PAC-3) surface-to-air intercept missiles to the US Air Force's Kadena base on the island prefecture.

"Isn't it strange to discuss the matter under a state of tension?" A conservative member of the city's municipal assembly raised this question to make his case. This assemblyman's assertion gained ground.

The ballistic missiles shocked Okinawa. Is Japan fully ready to defend itself?

In December 2003, the government made a cabinet decision to introduce a missile defense (MD) system. This MD system counters intruding ballistic missiles in two stages. An Aegis-equipped destroyer of the Maritime Self-Defense Force (MSDF) on stage launches sea-based Standard Missile 3 (SM-3) intercept missiles to shoot down a ballistic missile in midcourse phase. In case the SM-3 misses the missile, the ground-based PAC-3 interceptor shoots it down in the terminal phase. PAC-3 deployment starts in March next year and SM-3 deployment in March 2008.

However, the Air Self-Defense Force (ASDF) will deploy the PAC-3 to only three of its six air defense missile groups. The PAC-3's shield is highly effective only in Tokyo, Gifu, Fukuoka, and their environs. This was noted in the Diet. There are people inside and outside the shield of PAC-3 intercept missiles. This problem has yet to be resolved.

US Forces Japan (USFJ) plans to deploy the PAC-3 to the Kadena Air Base. This PAC-3 deployment to Kadena is intended to shield US military personnel on that base.

The PAC-3 cannot be expected to intercept all intruding missiles even if its shield network covers the Japanese archipelago like a porcupine, according to Defense Agency Administrative Deputy Director General Takemasa Moriya. Given its cost effectiveness, there is a limit to depending on MD within the limited slot of defense spending.

"If North Korea fires many ballistic missiles at Japan, that will constitute a defense emergency," one SDF staff officer said. "But," he continued, "the SDF is not capable of fighting overseas." The SDF officer added, "In this case, we can only expect US forces to strike North Korea." The officer indicated that his expectations were on the Japan-US alliance.

Japan and the United States are to cooperate with each other to defend Japan under their security treaty. However, the 1997 guidelines for defense cooperation between Japan and the United States state: "US forces will consider, as necessary, the use of forces providing additional strike power." With the wording "consider," the guidelines indicates that the United States will not automatically invoke its strike power.

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The question then is how far the United States will go to defend Japan. In 1993, when there was a crisis over North Korea's suspected development of nuclear weapons, US forces studied the option of striking North Korea. The US military reportedly estimated casualties in a full-scale war at 52,000 for US forces, 490,000 for South Korean forces, and 1,000,000 including civilians.

China and North Korea have concluded a treaty on friendship, cooperation, and mutual assistance, under which the two countries are obligated to cooperate with each other in the military area. This bilateral pact cannot be ignored. "US forces may only build up MD deployment in Japan," one in the Defense Agency surmises.

If the MD system and the Japan-US alliance are insufficient, does Japan have any other ways to secure its people?

"It would be effective to conclude a multilateral treaty that freezes missile firing in Northeast Asia," said Tetsuo Maeda, a journalist on military affairs. "In that case," Maeda added, "China's ballistic missiles, of course, and the US military's cruise missiles will be subject to the freeze." Maeda went on, "South Korea, which is now hurrying to develop short-range ballistic missiles, must join in, or it will be meaningless." He noted that no security policy can work out without high-level diplomacy.

(3) Chinese military attaches made frequent contacts with Defense Agency officials; Military info leaks suspected

SANKEI (Top play) (Full) July 8, 2006

Two military attaches to the Chinese embassy in Japan were repeatedly in touch with senior Defense Agency officials, sources revealed yesterday. Police authorities have confirmed on the spot that each of the two Chinese embassy attaches had met Defense Agency officials and others about 20 times. Police investigated the agency in secret to find if they had leaked military information, including classified information about the Self-Defense Forces (SDF). However, police investigations were discontinued because both Chinese attaches were returned home. Meanwhile, it became known in December last year that a Japanese diplomat at the Japanese consulate general in Shanghai had been urged by Chinese intelligence authorities and committed suicide in China. China is now suspected of having conducted espionage activities in Japan, as well.

According to informed sources, a military attache to the Chinese

embassy in Japan repeatedly met a former mid-level Defense Agency official at restaurants in Tokyo and other places around 1997.

Police investigators watched and tailed them. As a result, they confirmed on the spot that the two had made about 20 secret contacts in one year. However, the attache suddenly returned to China. In 2002, another attache repeatedly met a senior official of a Defense Agency research institution at restaurants and other places. The police confirmed that they had made more than 10 contacts in nearly one year. However, this Chinese attache also returned home shortly thereafter.

Their contacts were periodic. Police authorities therefore kept tabs

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on them for a long time, suspecting that those Defense Agency officials might have leaked defense secrets to their Chinese counterparts. However, the police had to discontinue investigations because both of the two Chinese attaches returned home. The police could not discover if intelligence had been leaked.

The Defense Agency classifies confidential information into three categories-top secret, strictly secret, and secret. SDF personnel and other employees leaking secret or higher classified information will be charged with a violation of the SDF Law.

In September 2000, a senior official of the Defense Agency was arrested by the Tokyo Metropolitan Police Department (MPD) for a violation of the law. This official was alleged to have handed over a secret document to an attache from the Russian embassy in Japan.

In March last year, another incident involving the Chinese embassy was brought to light. In this case, the MPD raided the Defense Agency, suspecting that a senior official of the agency stole a document with submarine data from his office. The stolen file is alleged to have gone to China through a trader who used to visit the Chinese embassy.

In March this year, a Tokyo-based consultant firm's president was arrested for a violation of the Immigrant Control and Refugee Recognition Law. The president's pocket notebook seized by the MPD had a description indicating that the president was ordered by a Chinese embassy counselor to campaign for the unification of China and Taiwan. The MPD therefore made an unusual request to the counselor in April to report as a witness. This incident brought to light a part of Chinese spying.

However, this is the first time that police investigators have uncovered questionable contacts between Chinese embassy staff members and Defense Agency officials.

(4) Government made thorough preparations for Japan's response to Taepodong launch; Secret team launched 20 days before missile launches

North Korea launched a barrage of missiles on July 5. How did the Japanese prepare itself against such launches? The government led by the Prime Minister's Official Residence (Kantei) carried out thorough preparations for over a month in close cooperation with the United States. The government's ability to gather Intelligence and manage a crisis has improved markedly since North Korea launched a Taepodong-1 missile in 1998. But some challenges still remain unresolved.

The government began considering measures against North Korean missiles in late May.

Chief Cabinet Secretary Shinzo Abe ordered Assistant Deputy Cabinet Secretary Hiroyasu Ando, a former Foreign Ministry official, to

secretly study measures against missile launches. Aware of growing

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signals around the Taepodong base in North Korea, the Self-Defense Forces also kept a vigil.

Finally on June 15, it became clear that North Korea mounted a

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Taepodong-2 on the launch pad.

That evening, Deputy Chief Cabinet Secretary Masahiro Futahashi, assistant deputy chief cabinet secretaries Ando and Kyoji Yanagisawa, and Cabinet Intelligence Director Hideshi Mitani assembled at Abe's office on the fifth floor of Kantei. They formed the government's secret team to deal with missile launches. The team also served as the government's control tower to make arrangements for sanctions against North Korea and Japan's response.

To be prepared against missile launches, the members also decided to remain in Tokyo on weekends in principle so that the relevant cabinet ministers, such as the chief cabinet secretary, the foreign minister, the defense chief, and the land, infrastructure, and transport minister, could assemble swiftly. In mid-June, the team generally outlined a nine-item sanctions plan, including a ban on port calls by the North Korean ferry Man Gyong Bong.

In a tense atmosphere on the morning of July 4, the Kantei, based on the intelligence that the North would fire more than one missile in the early hours of July 5, began mapping out specific sanction measures to protest launches of Rodong and Scud missiles in addition to a Taepodong-2.

The project team was split in views on the evening of July 4 over Japan's responses to such cases as a Taepodong-2 not flying over the Japanese archipelago and the North firing Rodong missiles alone. Many expressed cautious views about prohibiting Man Gyong Bong's port calls in reaction to such events. But Abe's words determined Japan's course of action: "North Korea has received two yellow cards due to the abduction and nuclear issues. It doesn't matter whether a Taepodong does not reach Japan or the North fires Rodongs, Japan will give that country a red card the next time around."

In the end, the Taepodong-2 did not reach Japan, but the government in just a few hours after its launch formally decided to impose sanctions on the North, including banning the Man Gyong Bon from entering Japanese ports.

Close cooperation with the United States

Japan the United States worked closely to prepare themselves against North Korean missiles.

On the morning of June 15, Abe discussed Japan's response with US Ambassador to Japan Thomas Schieffer over breakfast at his official residence.

"Are you sure that Japan will take a strong attitude, including economic sanctions?" Schieffer asked. In response, Abe said firmly, "Yes, I'm positive." Through the Abe-Schieffer breakfast meeting, Tokyo and Washington also generally nailed down the scenario of Japan seeking sanctions against North Korea at a UN Security Council meeting with the assistance of the United States.

In a press conference at 9 a.m. July 5, five hours and a half after the North fired the first missile, Foreign Minister Taro Aso announced that Japan had called for an emergency UN Security Council meeting. SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07/10/06

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Abe said to his aides on July 7: "Japan's resolute stance prompted the United States, Britain, and France to support the UN Security Council sanctions resolution."

System to notify local governments needs improvements

A senior Cabinet Secretariat official noted: "Unlike North Korea's missile launch in 1998, we were all in all able to take the necessary steps this time." Abe held his first press conference about three hours after the North fired the first missile to give an outline of the missile launches.

The government's information was patchy when the North launched a Taepodong-1 missile on August 31, 1998. The Defense Agency did not formally announce until 11 p.m., half a day after the launch, that the missile warhead had landed in the Pacific Ocean. The delay was ascribable to poor coordination between the Foreign Ministry and the Defense Agency for press announcements.

The teamwork between Japan and the United States then was also poor. The US military was slow to inform the Self-Defense Forces of the missile launch.

The July 5 launches, though, exposed the poor communication level between the central and local governments.

The prefectural governments received fax messages on the missile launches from the Internal Affairs and Communications Ministry Fire and Disaster Management Agency at 6:30 a.m., three hours after the North fired the first missile. Hokkaido Governor Harumi Takahashi said disapprovingly in a press conference on July 5, "We need such information in a more timely manner. The fax message came after NHK news reports, and that's a problem."

In the wake of the missile launches, the Fukui prefectural government went into an initial emergency mode for the first time to defend its people. Frustrated with a lack of information from the central government, Fukui Governor Issei Nishikawa reportedly directly called the Fire and Disaster Management Agency to gather information.

The government was also slow to issue warnings to the ships navigating in the Sea of Japan and aircraft.

A government source said, "The government directly explained things to the public on the situation in the press conference shortly after six o'clock." But local governments are urging the central government to find out what needs to be done to provide more information to the public in a timely manner and take necessary steps accordingly.

(5) In speech in Sasebo, Economic Minister-Counselor urges US, Japan to energize business activities to strengthen bilateral ties

YOMIURI (Full) June 29, 2006

Economic Minister-Counselor James Zumwalt at the US Embassy to Japan

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delivered a speech titled "The Future of Japan-US Economic Relations" at the Shinwa Bank in Sasebo City, Nagasaki Prefecture, yesterday. In the speech, Zumwalt stated: "There is no other economic issue between the US and Japan than the beef issue now. It

is necessary to promote business activities between the two countries, as part of efforts to strengthen bilateral relations."

The economic minister-counselor gave the speech before about 40 local economists and others under the sponsorship of the Japan-America Society of Sasebo and other organizations. In reference to US-Japan relations, Zumwalt emphatically said: "The combined shares of outlays by the US and Japan for military affairs and research and development are 55 PERCENT and 50 PERCENT, respectively." He added: "Japan is a partner with which the US finds it easier to cooperate based on common values."

On the beef issue, Zumwalt stated: "I hope Japan will introduce international criteria, instead of its own ones." Turning to Japan's official development assistance (ODA), he remarked: "Japan's ODA has decreased by 30 PERCENT over the past six years. It is important for Japan to disburse ODA funds commensurate with its economic strength."

Regarding economic development in Sasebo, which houses US military bases, Zumwalt said: "It should be possible to bring in investments directly from the US."

Zumwalt assumed his current post in April 2004. He will return to the US in August to become the director of the Office of Japanese Affairs in the East Asian Affairs Bureau at the State Department.

SCHIEFFER